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**Congress of the United States**  
**House of Representatives**  
**Washington, DC**

Dear Friend,

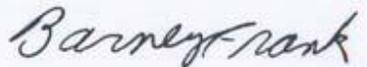
Thank you for expressing your support for H.R. 1207.

I have told Ron Paul, with whom I have worked closely on a number of issues, that I agree with the general thrust of his bill and I am planning to see that we take action on this subject in the committee which I chair. There have already been some moves forward in increasing the transparency of the Federal Reserve, and I agree that there are further steps we can take.

I cannot at this point tell you exactly how I think we should proceed, but I will be in the next few weeks meeting with the chairs of the subcommittees who have jurisdiction over this matter, as well as with Representative Paul, to plan a course of action that will result in much more openness with regard to the activities of the Federal Reserve.

I also intend when this current crisis is over to seek an amendment to the law which was passed in 1932 and signed by Herbert Hoover, which gives the Federal Reserve vast powers to lend money to any entity in America which it deems sufficiently collateralized whenever the Federal Reserve thinks there are exigent circumstances. I do believe that the Federal Reserve is exercising that power with some good effects recently, but it is not a power that should exist in a democratic society in the hands of an entirely unelected entity and I will be working next year to put some restraints on this power as well.

Sincerely,



BARNEY FRANK